

COMMITTEE REPORT

MADAM PRESIDENT:

The Senate Committee on Health and Provider Services, to which was referred Senate Bill No. 106, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1 Page 1, between the enacting clause and line 1, begin a new
- 2 paragraph and insert:
- 3 "SECTION 1. IC 27-8-5-2 IS AMENDED TO READ AS
- 4 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) No individual
- 5 policy of accident and sickness insurance shall be delivered or issued
- 6 for delivery to any person in this state unless it complies with each of
- 7 the following:
- 8 (1) The entire money and other considerations for the policy are
- 9 expressed in the policy.
- 10 (2) The time at which the insurance takes effect and terminates is
- 11 expressed in the policy.
- 12 (3) The policy purports to insure only one (1) person, except that
- 13 a policy may insure, originally or by subsequent amendment,
- 14 upon the application of any member of a family who shall be
- 15 deemed the policyholder and who is at least eighteen (18) years
- 16 of age, any two (2) or more eligible members of that family,
- 17 including husband, wife, dependent children or any children under
- 18 a specified age, which shall not exceed nineteen (19) years, and
- 19 any other person dependent upon the policyholder.
- 20 (4) The style, arrangement, and overall appearance of the policy
- 21 give no undue prominence to any portion of the text, and unless
- 22 every printed portion of the text of the policy and of any

endorsements or attached papers is plainly printed in lightface type of a style in general use, the size of which shall be uniform and not less than ten point with a lower-case unspaced alphabet length not less than one hundred and twenty point (the "text" shall include all printed matter except the name and address of the insurer, name or title of the policy, the brief description if any, and captions and subcaptions).

(5) The exceptions and reductions of indemnity are set forth in the policy and, except those which are set forth in section 3 of this chapter, are printed, at the insurer's option, either included with the benefit provision to which they apply, or under an appropriate caption such as "EXCEPTIONS", or "EXCEPTIONS AND REDUCTIONS", provided that if an exception or reduction specifically applies only to a particular benefit of the policy, a statement of such exception or reduction shall be included with the benefit provision to which it applies.

(6) Each such form of the policy, including riders and endorsements, shall be identified by a form number in the lower left-hand corner of the first page of the policy.

(7) The policy contains no provision purporting to make any portion of the charter, rules, constitution, or bylaws of the insurer a part of the policy unless such portion is set forth in full in the policy, except in the case of the incorporation of or reference to a statement of rates or classification of risks, or short-rate table filed with the commissioner.

(8) If an individual accident and sickness insurance policy or hospital service plan contract or medical service plan contract provides that hospital or medical expense coverage of a dependent child terminates upon attainment of the limiting age for dependent children specified in such policy or contract, the policy or contract must also provide that attainment of such limiting age does not operate to terminate the hospital and medical coverage of such child while the child is and continues to be both:

(A) incapable of self-sustaining employment by reason of mental retardation or mental or physical disability; and

(B) chiefly dependent upon the policyholder for support and maintenance.

Proof of such incapacity and dependency must be furnished to the insurer by the policyholder within thirty-one (31) days of the child's attainment of the limiting age. The insurer may require at reasonable intervals during the two (2) years following the child's attainment of the limiting age subsequent proof of the child's disability and dependency.

After such two (2) year period, the insurer may require subsequent proof not more than once each year. The foregoing provision shall not require an insurer to insure a dependent who is a mentally retarded or mentally or physically disabled child where such dependent does not satisfy the conditions of the policy provisions as may be stated in the policy or contract required for coverage thereunder to take effect. In any such case the terms of the policy or contract shall apply with regard to the coverage or exclusion from coverage of such dependent.

This subsection applies only to policies or contracts delivered or issued for delivery in this state more than one hundred twenty (120) days after August 18, 1969.

(b) If any policy is issued by an insurer domiciled in this state for delivery to a person residing in another state, and if the official having responsibility for the administration of the insurance laws of such other state shall have advised the commissioner that any such policy is not subject to approval or disapproval by such official, the commissioner may by ruling require that such policy meet the standards set forth in subsection (a) and in section 3 of this chapter.

(c) The insurer may issue the policy in electronic or paper form."

Page 7, between lines 10 and 11, begin a new paragraph and insert:

"SECTION 3. IC 27-8-5.5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) The commissioner shall prescribe by rule, after consultation with providers of health care or treatment, accident and sickness insurers, hospital, medical, and dental service corporations and other prepayment organizations, such accident and sickness insurance claim forms as the commissioner determines will provide for uniformity and simplicity in insurance reporting. The forms shall include, but need not be limited to, information regarding the medical diagnosis, treatment and prognosis of the patient, together with the details of charges incident to the providing of care, treatment or services, sufficient for the purpose of meeting the proof requirements of an accident or sickness insurance policy or a hospital, medical, or dental service contract.

(b) An accident and sickness insurer may not refuse to accept a claim submitted on duly promulgated uniform claim forms. However, an insurer may accept claims submitted on any other form.

(c) Accident and sickness insurer explanation of benefits paid statements or claims summary statements sent to an insured by the accident and sickness insurer **may be sent in electronic or paper form and** shall be in a format and written in a manner that promotes understanding by the insured by setting forth:

- (1) the total dollar amount submitted to the insurer for payment;
- (2) any reduction in the amount paid due to the application of any co-payment or deductible, along with an explanation of the amount of the co-payment or deductible applied under the insured's policy;
- (3) any reduction in the amount paid due to the application of any other policy limitation or exclusion as set forth in the insured's policy along with an explanation thereof;
- (4) the total dollar amount paid; and
- (5) the total dollar amount remaining unpaid.

In addition, the explanation shall clearly set forth a toll free number that the insured may call to obtain additional information about any of the items contained in the explanation of benefits paid or claims summary statement.

(d) The commissioner may issue an order under IC 27-1-3-19(a) directing an accident and sickness insurer to comply with subsection (c).

(e) An accident and sickness insurer does not violate subsection (c) by using a document that the accident and sickness insurer has been required to use by the federal government or the state.

SECTION 4. IC 27-8-11-7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 7. An insurer may provide to an insured a directory of providers with which the insurer has entered into an agreement under section 3 of this chapter in electronic or paper form."**

Page 7, between lines 22 and 23, begin a new paragraph and insert:

"SECTION 6. IC 27-13-9-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. Upon:

- (1) the enrollment; and
- (2) each reenrollment;

of a subscriber, a health maintenance organization must provide to the subscriber **in electronic or paper form** a list of providers who provide health care services through the health maintenance organization. The

- 1 health maintenance organization must also provide the list of providers
- 2 **in electronic or paper form** to a potential enrollee upon request.".
- 3 Renumber all SECTIONS consecutively.
(Reference is to SB 106 as introduced.)

and when so amended that said bill do pass .

Committee Vote: Yeas 8, Nays 0.

Senator Miller, Chairperson